

Annual Report and Accounts

for the year ended 31st March 2011

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Reference and administrative details

Registered in England & Wales with the Charities Commission under charity number: 1005541

Registered in Scotland by the Office of the Scottish Charity Regulator under charity number: SC039332

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Report of the Council

Introduction

The Members of the Council ('The Trustees') of The Prostate Cancer Charity ('the Charity'), who are also Directors of the Charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31st March 2011.

The Charity is a charitable company limited by guarantee and was set up on 14th October 1991. It is governed by its Memorandum and Articles of Association, amendments to which were approved by Special Resolution on 20th November 2008 to take account of changes introduced by the Companies Act 2006. The Charity will continue to review its governance arrangements to ensure that they are appropriate for a rapidly developing organisation.

This report provides information on the Charity's activity and financial performance. It forms part of a range of public information designed to give an open account of the Charity's work.

Objects

The Charity's objects, set out in its Memorandum and Articles of Association, are to invest in prostate cancer research and to publish useful results, to provide information and support to people affected by prostate cancer and their families, and to raise public awareness of prostate cancer and its symptoms.

The Charity maintains a balance between research (seeking future solutions to prostate cancer) and support, information and campaigning (providing help for the tens of thousands of men and their families affected by prostate cancer now). This forms the Charity's unique contribution and is key to developing its work and impact.

Public benefit

We have considered the Charity Commission's guidance on public benefit when reviewing our aims and objectives and in planning future activities.

The public benefit of the Charity is in mitigating the effect of prostate cancer in the United Kingdom. Our strategic aims set out below and all of the Charity's activities are designed to achieve this benefit.

The beneficiaries of our work are men and their families – reached either directly or through healthcare professionals. Those who have benefited from our services are detailed in the review of activities. Our service is open to all men in the United Kingdom and their families, without charge.

As a result of the above, the Trustees consider that The Prostate Cancer Charity clearly satisfies the public benefit test.

Our vision and mission

The Charity's vision and mission statements are used extensively in explaining and promoting our work:

Vision – A world where lives are no longer limited by prostate cancer

Mission – Fighting prostate cancer on every front – through research, support, information and campaigning

Our principles and values

The Charity will pursue the following principles and values in achieving its strategic aims:

- Ensuring that people affected by prostate cancer are at the heart of all we do and are systematically involved in all our work
- Adopting innovative and creative approaches in tackling prostate cancer
- Preserving integrity and independence in all we say and do
- Ensuring that our public positions and priorities are well informed and defensible
- Seeking opportunities for partnership working, both as an expression of a collaborative attitude and to avoid duplication of effort or unhelpful competition
- Modelling good practice to other organisations
- Influencing other organisations to pursue positive programmes of action on prostate cancer

Our strategic goals

All of the Charity's work is driven by the priorities set out in its strategy, 'Transforming the future for prostate cancer'. This strategy is based on five high level goals which specify the key changes we want to see achieved in the prostate cancer 'landscape' by 2020. These goals are underpinned by clear targets against which we can measure progress and by the Charity's organisational strategy for 2008-14:

- **Goal 1** – Significantly more men will survive prostate cancer
- **Goal 2** – Society will understand the key facts about prostate cancer and will act on that knowledge

- **Goal 3** – African Caribbean men and women will know more about prostate cancer and will act on that knowledge
- **Goal 4** – Inequalities in access to high quality prostate cancer services will be reduced
- **Goal 5** – People affected by prostate cancer will have their information and support needs addressed effectively

These goals can only be achieved when everyone concerned – people affected by prostate cancer, charities, healthcare professionals, the NHS, researchers and supporters – moves in the same direction with a sense of united purpose. As the UK's leading charity working with people affected by prostate cancer, The Prostate Cancer Charity has a responsibility to act as a catalyst in mobilising the resources of the wider community in achieving the 2020 goals.

The Charity will act in three modes in delivering its strategy:

- Direct provision of services and research funding
- Partnership working
- Lobbying others to achieve what needs to be done

Review of activities and plans for the future

During 2010/11, whilst recession continued in the wider economy, the Charity continued to see a very significant increase in income with sustained investment in projects which themselves provide the basis for future growth in the Charity's income and profile. We remain fortunate to have experienced unbroken increases in annual income since the Charity was founded in 1996 – reflecting a growing public belief that prostate cancer as a cause merits greater attention.

An ongoing key contribution to the financial success of the last year was the Movember, moustache-growing, men's health fundraising campaign. This was the fourth year in a row that The Prostate Cancer Charity benefited from this campaign, as a charity partner of the Movember Foundation in the UK. This campaign in the month of November 2010 alone generated over £11.4 million in income before deduction of expenses for 2010/11 and has been a huge success in raising the profile of prostate cancer in a much younger age group – men and women in their twenties and thirties. Being received late on in the financial year, these funds will be used to support the Charity's activities in 2011 and beyond.

Due to the unsettled economic climate, a more conservative view of development of the Charity was

continued, with the aim of continuing to grow income as far as possible in 2010/11, whilst continuing a broadly 'steady state' approach on expenditure. The continued emphasis was on maximising return on investments agreed by the Board in previous budget rounds, thus creating a stable and motivated employment environment.

Set out below is a review of what we planned to do in 2010/11 and what we actually achieved. Our plans for 2010/11 were set out against the goals of the Charity's strategy, 'Transforming the future for prostate cancer'.

Goal 1 – by 2020, significantly more men will survive prostate cancer

We said we would:

- Approve a new research strategy for the Charity, targeting particular areas of interest and setting out clear objectives for its research programme
- Launch the fifth fully-competitive, peer-reviewed call for research proposals, framed clearly within the Charity's new research strategy and to a value of a minimum of £1.75 million, seeking opportunities for joint funding where appropriate
- Complete a review of the impact of the totality of the research funded by the Charity to date and publish key findings
- Encourage high quality survivorship research by holding a workshop for researchers operating in this field, followed by the award of up to £150,000 for the conduct of targeted and rigorously assessed research activity
- Apply to become a member of the National Cancer Research Institute, having achieved the minimum requirement of an annualised research spend of £1 million per annum
- Collaborate closely with the Movember Foundation in securing effective international research collaboration in key areas of interest to prostate cancer.

In 2010/11 we:

- Funded 14 new grants to a total value of £1.8 million. Grants were awarded to the University of Bradford, King's and Imperial Colleges in London, the University of Cambridge, the University of Glasgow, Queen's University Belfast, the University of Bath, the University of Aberdeen, University College London, the University of Aberystwyth and the Institute of Cancer Research. Details of all of these grants are available on the Charity's website

- £150,000 was ring-fenced in 2009/10 for a survivorship research initiative in 2010/11. £111,000 was added to this to fund a project to the value of £261,000. In 2010/11 £150,000 is ring-fenced for a research initiative to further the Charity's African Caribbean strategic goal in 2011/12
- Commissioned external impact report capturing and evaluating the outcomes, outputs and impact of the Charity's research funding between 1996 and 2007
- Developed a research strategy 2010-2014, outlining six strategic aims for the Charity's research programme and defining four priority areas for research funding
- Supported the UK cancer survivorship research base by developing a targeted survivorship research initiative creating support services for men receiving hormone therapy for prostate cancer
- Achieved membership of the National Cancer Research Institute
- Worked with the Movember Foundation in the early development of its Global Action Plan, an international collaborative research initiative targeted at improving the diagnosis of prostate cancer, providing it with a grant of £1 million
- Developed a joint prostate cancer clinical training fellowship scheme in partnership with the UK Medical Research Council.

In 2011/12 we will:

- Undertake a significant review of our research funding strategy, in collaboration with leading scientists and clinicians, to take into account recent developments in the national and international research environment and changes in our own funding capacity. This review will look specifically at which areas of prostate cancer research have the potential to lead to the best outcomes for men affected by prostate cancer, and which funding mechanisms can be used to leverage these outcomes most effectively
- Deliver the Charity's first National Research Conference. This two-day event will combine a small scientific symposium, providing a forum for prostate cancer researchers to network and exchange ideas, with a broader public engagement event that will inform people affected by prostate cancer about the current hot topics in prostate cancer research
- Manage our ongoing programme of research grants closely to ensure value-for-money, capture the outcomes of our directly funded research projects,

ensure that the donors who support our research programme are kept informed about the work they fund, and to facilitate the communication of important research findings to the research community, policy makers, health professionals and men affected by prostate cancer.

Goal 2 – by 2020, society will understand the key facts about prostate cancer and will act on that knowledge

We said we would:

- Carry out a brand review, leading to the development of an integrated communications and awareness strategy, providing a framework for the delivery of individual campaigns and programmes. Preparations will have been made for a paid-for advertising campaign which will be tested in a particular area or using a specific medium in 2010/11 or 2011/12
- Fully evaluate Prostate Cancer Awareness Month 2010 along all dimensions of internal and external impact, leading to even greater success in Prostate Cancer Awareness Month 2011
- Use all the Charity's communication channels and activities, including fundraising, media, marketing, service provision and campaigning, to achieve greatest impact in raising awareness of prostate cancer and strengthening brand awareness
- Develop a UK-wide strategy for volunteering, ensuring that the value of volunteers can be maximised in the most cost effective way in raising awareness of prostate cancer in local communities across the UK.

In 2010/11 we:

- Created a new Directorate of Communications to lead brand strategy development and increase engagement with the Charity's stakeholders; primarily diagnosed men, their families and health professionals
- Launched new engaging, interactive and accessible Charity website enabling nationwide reach. Significantly increased web traffic, which is up almost 35%, literature orders by 28% and publication downloads by 50%
- Continued to execute high profile campaigns, ensuring that fundraising and awareness raising opportunities were maximised – including Prostate Cancer Awareness Month, which generated 750 pieces of media coverage and culminated with discussion in Prime Minister's Questions

- Evaluated Prostate Cancer Awareness Month 2010, leading to a more integrated campaign in March 2011 including awareness raising, service provision, marketing communications, media and PR, fundraising and parliamentary campaigning. Significant uplift in participation, of 28% and web traffic rose by 64% throughout the month
- Continued to maximise the role of media in raising awareness of the Charity and keeping the cause on the agenda – approximately 50% of all media mentions of prostate cancer referenced The Prostate Cancer Charity
- Increased media coverage by 154% with a significant proportion of men above 50 recalling seeing something about the disease across print, online and broadcast media
- Supported our 90 trained awareness volunteers to deliver 238 awareness sessions, reaching over 11,000 people.

In 2011/12 we will:

- Implement an integrated communications campaign to broaden the Charity's reach within key audiences, in particular men affected by prostate cancer and their families
- Ensure prostate cancer remains high on the media agenda by credibly adding to the debate in terms of thought leadership, research news and commentary
- Develop our Volunteer Management team, improve selection, recruitment and training of volunteers and expand volunteer roles to increase our reach and further raise awareness of prostate cancer in key target audiences such as the African Caribbean community cancer in local communities across the UK.

Goal 3 – by 2020, African Caribbean men and women will know more about prostate cancer and will act on that knowledge

We said we would:

- Develop a strategy for the Charity's work with African Caribbean communities, drawing on our established evidence base, setting direction for the coming years, and identifying the required resources
- Ensure that the Charity's work with African Caribbean communities is demonstrably integrated across all of its activities and communication channels, including fundraising, media, marketing, service provision and campaigning, to achieve greatest impact in raising awareness of prostate cancer

- Deliver further targeted awareness raising campaigns for African Caribbean communities which demonstrate positive impact
- Develop plans for assessing within 2010/11 and 2011/12 the extent to which services, including services provided by the Charity as well as the NHS, are culturally sensitive and appropriate for people from the African Caribbean community who are affected by prostate cancer.

In 2010/11 we:

- Appointed an African Caribbean Policy and Development Manager
- Developed an African Caribbean strategic framework to outline the priorities for the Charity's work with African Caribbean communities to ensure we deliver culturally appropriate awareness activities, information, services and support
- Successfully completed our three-year Older and Wiser project, including the training of African Caribbean Community Champions to deliver awareness-raising activities in their local community
- Our Support and Information Specialist Nurses delivered awareness activities to African Caribbean communities in target regions; the West Midlands, Greater Manchester and Merseyside, building networks with local health professionals and community groups
- Carried out focus groups to explore perceptions of prostate cancer and access to health information, services and support within the African Caribbean community
- Delivered our first African Caribbean shared learning event for researchers, health professionals and community workers.

In 2010/11 we will:

- Develop and start to implement a communications strategy to further raise awareness of prostate cancer among African Caribbean audiences
- Ensure the Charity's work with African Caribbean men and women is as effective as possible; staff training and guidelines will enable us to deliver culturally appropriate services
- Increase the Charity's ability to raise awareness in African Caribbean communities via activities such as growing our network of Community Champions, working with the cricketing community and developing champions within the media and parliament

- Develop an understanding of the specific needs and experiences of African Caribbean men affected by prostate cancer who access the NHS and whether or not current delivery of care is culturally appropriate.

Goal 4 – by 2020, inequalities in access to high quality prostate cancer services will be reduced

We said we would:

- Develop and launch a campaign to enable ‘universal informed choice’ across the UK for men in accessing the PSA test – in response to the anticipated recommendations of the UK National Screening Committee on prostate cancer screening
- Continue to campaign for acceptance of the recommendations and findings of the ‘Hampered by Hormones?’ campaign, launched in 2009
- Seek growing acceptance by MPs of the Charity’s ‘Pledge for Prostate Cancer’, positioning the Charity in politicians’ minds as the leading source of advice and influence on prostate cancer issues
- Increase our strategic work with the NHS and healthcare professionals – appointing a new Head of Health Service Liaison for the UK and a Health Service Liaison post in Scotland, extending our healthcare professional education programme (including a Master Class for specialist practitioners working in prostate cancer), widening our network of healthcare professionals and developing strategic links with key healthcare bodies.

In 2010/11 we:

- Responded to all major consultations on the Government’s proposed changes to the NHS to represent the views and experiences of people affected by prostate cancer
- Launched our Testing Choices campaign, which aims to ensure that all men at higher risk of prostate cancer can make an informed choice about whether or not to have a PSA test
- Signed up 76 MPs and 57 MSPs to our Pledge for Prostate Cancer and one in five MPs joined our Day of Action during Prostate Cancer Awareness Month
- Held events with Breast Cancer Care and Macmillan Cancer Support at the Conservative, Labour and Liberal Democrat autumn political party conferences to highlight the support needs of people living with cancer

- Trained 10 supporters in campaigning skills and invited them to our ‘Testing Choices’ launch in Westminster
- Part-funded a pilot community prostate health clinic in Newham, London, to test new ways of providing men with information about prostate cancer and the PSA test
- Increased subscriptions to the health professionals’ newsletter by 43%. The Charity also broadened its network of health professionals through attendance at conferences in Europe
- Successfully delivered a prostate cancer master class for 80 specialist practitioners working in the NHS in September 2010 in partnership with King’s College London.

In 2011/12 we will:

- Expand our Testing Choices campaign to improve access to information about the PSA test by launching in Scotland, improving health professionals’ knowledge and further testing new ways of delivering information on the PSA test
- Ensure our views and those of people affected by prostate cancer inform national health policy through relationships with MPs, MSPs, civil servants and bodies such as the National Institute for Health and Clinical Excellence (NICE), the Scottish Medicines Consortium and Healthcare Improvement Scotland
- Continue to work in coalition with other major cancer charities to ensure that NHS cancer services across the UK provide the best possible care for people affected by prostate cancer
- Increase networking activity with health professionals by speaking and exhibiting at regional and national conferences
- Commission a review of prostate cancer education for health professionals and develop our education programme as a result of this research
- Make available the prostate cancer master class as an online learning resource for specialist practitioners.

Goal 5 – by 2020, people affected by prostate cancer will have their information and support needs addressed effectively

We said we would:

- Implement the 2010/11 stage of the Charity’s Information Strategy, ensuring the development

of new information materials and the updating of existing materials

- Continue to work with the Government’s Information Prescription and Information Accreditation programmes to maximise access, through NHS channels, to the Charity’s information services
- Use all the Charity’s communication channels to ensure that people affected by prostate cancer receive our information and are aware of our services
- Develop a strategy for raising the profile of prostate cancer within primary care and for ensuring the provision of relevant information on prostate cancer within this sector of the NHS.

In 2010/11 we:

- Launched nine new information resources and reviewed 22 existing resources as part of the Charity’s portfolio of over 40 products
- Further developed the Information Strategy to 2014 in line with the Charity’s 2008-2014 targets, identifying gaps in information need and how we fill them
- Ensured access to information about prostate cancer is at the heart of the Charity’s new website
- Achieved accreditation for a second year by the Information Standard, and ensured all of the Charity’s publications are on the NHS National Cancer Information Pathways and available via Information Prescriptions

In 2011/12 we will:

- Develop audio-visual information and produce new publications where a need is identified
- Continue to improve the information on our website, creating new pages and interactive content
- Apply for and achieve Helpline Accreditation with the Helplines Association
- Pilot a new nurse-led telephone intervention for men experiencing cancer fatigue, working in partnership with King’s College London
- Research and develop recommendations for physical activity services for men living with prostate cancer
- Improve the way we market our support services to enable us to help more men affected by prostate cancer.

In addition to the objectives related to the Charity’s five strategic goals, there are important objectives for the Charity’s work in Scotland. These are set out below:

Scotland

We said we would:

- Implement revised organisational and fundraising strategies, to achieve the status of the leading voice for prostate cancer in Scotland. This will be delivered through an augmented staff team and a strategic development board (comprising individuals drawn from key sectors of commercial and public life) – enhancing the profile and impact of the Charity
- Seek to work closely with other relevant charities in Scotland in pursuing our objectives
- Extend the geographical reach of the volunteer programme in Scotland – leading to enhanced profile and ‘on the ground’ presence for the Charity
- Aim to enhance the Charity’s influencing work with the Scottish Government, in particular through collaborative working with other charities, relationship building, and responding to Scottish Government consultations as appropriate
- Complete merger discussions with another prostate cancer charity in Scotland where there appear to be mutual benefits.

In 2010/11 we:

- Trained 14 new volunteers in the East of Scotland, thereby extending our reach across the central belt of Scotland
- Completed the merger with Prostate Cancer Support Scotland. The Charity now has seven support groups available to men with prostate cancer, their partners and families
- Expanded our service delivery and fundraising teams to increase our capacity to influence and to fundraise in Scotland
- Increased our engagement with MSPs, Ministers and the Scottish Parliament and maximised opportunities for influence through key networks and consultative groups including the Cancer Cross Party Group, Scottish Cancer Coalition and Scottish Prostate Alliance
- Increased media presence in the Scottish media, including prime print media.

In 2011/12 we will:

- Increase the number of awareness talks and stands delivered by our volunteers
- Commission research into what men, their partners and families want from support groups to ensure we deliver best practise
- Establish two new support groups
- Commission a study into the best way to communicate with older men
- Hold a research network event to engage the Scottish research community and increase interest in prostate cancer research
- Deliver the Charity's campaigning and influencing activity within the context of the devolved Government in Scotland.

Donors and volunteers

We are enormously grateful to all those – individuals, groups, trusts and companies – who have given so generously during the year.

We are also indebted to the many volunteers who have played such a crucial role in supporting the Charity – whether by talking to the media or to men newly diagnosed with prostate cancer, providing awareness talks or helping the Charity to develop in many other ways. In particular, we thank our loyal and extensive group of Media Talkers, our information reviewers, our growing network of trained volunteers and our 'Head Office' volunteers who have helped us to support the many aspects of the Charity's work.

We very much appreciate the time given by members of the Prostate Cancer Voices scheme – people affected by prostate cancer who contribute their views, opinions and experiences to influence the development of our services and campaigning.

Our Ambassadors are influential supporters, from across a wide range of industries and regional areas, who work on a voluntary basis, helping the Charity forge fundraising relationships and raise awareness of prostate cancer. Their involvement is highly appreciated.

Financial review

Total income in 2010/11 reached £18,819,000 – an increase of £7.4m (64%) over 2009/10. This continues the strong growth trend seen in the prior year (which had previously increased by 46%), even allowing for the impact of the recession on several income streams.

Total expenditure in 2010/11 reached £13,165,000, an increase of over £4m (45%) over 2009/10. This

consisted largely of an increase of £2,453,000 (44%) in charitable activity and £1,611,000 (50%) in the costs of generating voluntary income which has reaped returns in increased income.

The Charity operates a wholly-owned subsidiary trading company – Prostate Cancer Trading Ltd – which administers all its trading activity. In 2010/11 its trading income grew, primarily due to the Charity's 'I'm Aware' campaign and subsequent sales of branded pins and mens' briefs in Marks and Spencer stores during March 2011. Total income for the year was £163,000, with associated expenses of £125,000 (compared to £148,000 of income and £116,000 of expenses in 2009/10). These costs include a proportion of fundraising and administrative staff time. The net profit of £38,000 will be gift aided to the Charity, a proportion of which will be subsequently designated and used for funding the Charity's Helpline.

The Charity achieved an overall surplus for the year of £5,714,000, compared to £2,860,000 in 2009/10. Total funds carried forward at the year-end stood at £11,641,000, compared with an opening balance of £5,927,000 at the beginning of the year. These funds will be used to finance a further expansion of the Charity's charitable activity in 2011/12.

Fundraising

2010/11 formed the first year of a four-year strategy that was agreed with the Council in March 2010 to grow income to £20 million or more per annum by 2013/14. A budgeting process was adopted for 2010/11 based on 'core' and 'stretch' fundraised income targets – to ensure effective management of risk. Expenditure plans were predicated on achievement of the lower, core target.

The core fundraised income target (excluding investment income and interest) for the year was £13,281,000. An actual outcome of £18,801,000 was achieved. In addition to this, a further £18,000 was generated in interest and dividends.

The proportion of income which is unrestricted – allowing greater freedom in use – was 96% (up from 92% in 2009/10).

The net contribution (income less costs) from fundraised income in 2010/2011 was £13,774,000 which is a £5,756,000 increase on the figure for 2009/2010 of £8,018,000. The return on investment ratio (£ generated for each £ invested) is therefore 3.83:1, compared to 3.46:1 for 2009/2010. This is in line with the sector norm, especially for a charity with low legacy income.

The structure of the Fundraising Team continues to be reviewed but has not undergone any significant change

over the last 12 months. The variety of income streams continue to be managed by three senior fundraisers who each have a portfolio of related income streams to oversee. These senior fundraisers have continued to work even closer together so that the Charity can maximise its cross-team approach to flagship projects.

For the fourth year running, our flagship fundraising partnership campaign was Movember, accounting for £11,408,000 of our total income (up from £5,846,000 – 95% on the previous year). The moustache growing event organised by the Movember Foundation – held in November each year – has once again exceeded all expectations. In the UK it attracted 112,000 supporters (up by 149% on the previous year), particularly in the 25-35 age group, with men growing moustaches to raise an average of over £101 each and, at the same time, significantly raising the profile of prostate cancer.

Direct marketing – Income for the year rose by 14% at £1,687,000, compared to £1,484,000 in 2009/10.

The recession has had a significant negative impact on most markets, including regular giving to charities. Market data from the voluntary sector continues to suggest a 10% decline in income from direct marketing as an industry average. Therefore the growth that has been achieved by The Prostate Cancer Charity is particularly impressive. Our flagship product continues to be the Research Action Fund which attracts higher-value donors who are inspired to support the Charity because of our commitment to invest in medical research.

Community fundraising – Income in 2010/11 rose by 51% or £841,000 compared with 2009/10. The total income generated from this area in 2010/11 was £2,494,000.

Community fundraising encompasses a wide range of income sources, including from sporting and challenge events, clubs and individual and group fundraising efforts.

In 2009 we embarked into a multi-year partnership with The Tour of Britain, the UK's leading professional cycling event as charity sponsor. The first year established the Charity's name in the crowded charity cycle events marketplace and gave us a good platform for growth in 2010. Participants in the Charity's cycle rides rose from 1,800 to 4,500 and income was doubled too. As well as the direct income generated from our cycle rides, The Tour of Britain partnership has also been used as an effective way to introduce new potential supporters to the Charity. Currently only a third of participants fundraise for us so the challenge for 2011 is to get the conversion ratio closer to 50%. In 2010/11 we generated £550,000 from our cycling activity with a plan to grow this steadily in future years.

As the Charity's awareness activities reach more local communities, the willingness of local communities to fundraise on our behalf has increased. In the last year

we have benefited from more people wanting to raise funds locally to support our activities nationally.

Trusts – Income in 2010/11 was £795,000, an increase of £329,000 (71%) compared with the previous year.

The Charity benefited from the second year of its two-year funding support from The Milly Apthorp Charitable Trust which accounted for £200,000 of the total. The Charity was awarded a grant for £105,000 over three years from The Henry Smith Charity for our volunteer programme.

Corporate partnerships – Income increased by 37% in 2010/11 to £1,197,000.

The ongoing partnership with Marks & Spencer continues to be important to the Charity, generating approximately 25% of the total income raised from companies (some of which is generated through the trading company).

The majority of our corporate support is raised via Charity of the Year partnerships and other employee fundraising initiatives. Key partners have been Alliance Healthcare, Betfair, BlackRock, Keyline Builders Merchants and Man Group. As well as contributing to fundraising, these and other corporate partners are committed to raising awareness of prostate cancer amongst their employees and customers.

Legacies – Income from this source was £644,000, slightly down from £653,000 in 2009/10 (a decrease of 1%).

Legacy giving remains an important source of income for the Charity, giving our supporters the opportunity to make a long-term difference to men with prostate cancer and their families.

The Charity is investing in legacy marketing to grow overall income, although the growth in income that we are seeking to achieve will be five years or further away because of the long lead times to legacy activity.

Major gifts – Income rose by 69% from £39,000 in 2009/10 to £99,000 in 2010/11 which is considerable considering the prevailing economic conditions.

The Charity has received some important lead gifts from wealthy individuals and we are confident that this income stream has good potential for future growth.

Events – Whilst in the previous year the Charity reduced its programme of major events, based on the negative impact the recession was having, in 2010/11 income of £196,000 was generated.

The most significant contributor was The Swaps Ball for which we were the beneficiary charity partner for

2010. This one-off event generated over 75% of the total events income.

Investments

The Charity's investments were reduced from £1,979,000 in March 2010 to £82,000 in March 2011. This reflects the Board decision to sell all non-cash investments and re-invest them in short term deposits, in order to reduce the Charity's exposure to market fluctuations. Asset disposals generated a profit of £60,000. All remaining Stock Exchange investments will be sold in 2011/12.

Reserves policy

The Charity's reserves policy was reviewed in 2010/11, to ensure that it continues to meet the needs of a growing organisation, and it now states that:

The purpose of free reserves is to ensure uninterrupted services and delivery of the Charity's objectives regardless of short to medium term fluctuations in patterns of income and expenditure or unforeseen financial burdens. Readily available, free reserves to the value of between three and six months' of the higher of forward-looking income or expenditure is required to achieve this. The free reserves requirement will be calculated on a quarterly basis and monitored on a monthly basis. Excess reserves (ie above the upper level of the target range) may be used to fund increases in expenditure in order to achieve the Charity's objectives subject to agreement by the Board of Trustees.

This policy will be reviewed annually as part of the Charity's budgetary processes.

The level of free reserves at the balance sheet date in March 2011 was £10.256 million. This reflects the Charity's expected cash flow position, with income from the Movember fundraising campaign received late in the financial year, coupled with our prudent approach to spending in the current difficult economic climate. These reserves represent about eight months of unrestricted expenditure at 2011/12 levels. However, free reserves are projected to return within policy levels over the next year, with growth in spending on charitable activity as well as infrastructure investment.

Disclosure of custodian arrangements

The Charity is custodian of funds for two additional schemes: namely the Prostate Cancer Charter for Action and the UK Prostate Link Project. The Charter is a collaboration of voluntary and professional bodies with an interest in tackling prostate cancer. UK Prostate Link is a multi-agency funded project to support the

running of a national prostate cancer website portal – an initiative of The Prostate Cancer Charter for Action and Prostate Cancer Advisory Group.

Risk assessment

The Trustees and senior managers continue to review the risks facing the Charity and have taken a number of steps to mitigate these. The Charity undertook a detailed review of its strategic risks as part of the current six-year strategic planning exercise, in order to develop a general risk management framework. A risk register identifies all key risks facing the Charity, graded according to their likelihood and impact and identifies mitigating actions to manage them. The register is reviewed by the Senior Management Team on a regular basis and by Trustees at each meeting of the Finance and General Purposes Committee. Any 'red light' issues are brought to each meeting of the Board of Trustees.

Some of the significant risks facing the Charity, and actions taken to manage them, are as follows:

- Research grants awarded by the Charity are reviewed annually, enabling any risk to be identified at an early stage. The Charity also only awards grants after a thorough peer-review assessment process
- The Charity has continued to adopt a fundraising approach based on a prudent mix of high return donations (e.g. from major donors) and sustainable sources (e.g. direct marketing) – maximising income potential and spreading risk. This approach underpins the Charity's Fundraising Plan – which sets out detailed programmes for the strategic growth of income. This four-year Plan was agreed during 2009/10 for the period to 2013/14 and seeks to ensure an effective balance of income sources and to avoid over reliance on any particular income stream
- The Movember Foundation continues to provide a large proportion of the Charity's income. The Foundation is based in Australia and runs the Movember campaign in a number of countries across the world. A separate UK charity – Movember Europe – was established in 2010. The Charity seeks to manage the risk involved in such a key funding relationship by taking a prudent approach to increasing its cost base, such as staff headcount
- An annual budget is reviewed and approved by Trustees and forms the basis for financial monitoring. Income targets are set at 'core' and 'stretch' levels. Budgeted expenditure is based on the more cautious, 'core' income budget

- Re-forecasting of financial performance takes place three times a year, enabling any emerging difficulties to be identified early and effectively managed. The re-forecasting also includes an explicit statement on risks. Financial review is undertaken by the Finance and General Purposes Committee on behalf of the Board, but the Board itself also receives reports on financial performance. The Senior Management Team regularly monitors financial performance, provides regular reporting narrative to Trustees and invites ongoing questioning
- Explicit delegated authority arrangements have been agreed by the Trustees for the commitment of resources. These have been developed following the identification of risk to the Charity in relation to different types of commitment. Delegation limits were last reviewed and amended in 2008/09 in line with the needs of a rapidly growing organisation. They will be further reviewed in 2011/12
- The Charity's human resources are its key asset. It has continued to implement an extensive organisational development action plan to ensure that staff are well equipped and supported in undertaking their work and has also approved a comprehensive HR strategy
- Work has continued on business continuity planning to ensure that business can be maintained in the event of the loss of the Charity's main offices or significant services.

Governance and management

Overall strategy and policy for the Charity are agreed by the Council of Management (known as the 'Board of Trustees'), advised by the Chief Executive and Directors who attend all meetings.

At the first meeting of the Trustees each year, one third of the members of the Council retire from office and new elections are held. Following a period of office, a member of the Council is eligible for re-election.

Officers of the Board (currently Chairman, Treasurer and Vice Chairman) are elected for an initial term of three years. They are then eligible for election for a further, final term of two years. These terms are extendable, exceptionally, at the discretion of the Board of Trustees.

Trustees are generally recruited by open advertisement to ensure the widest field of applicants. A number of the Trustees have been personally affected by prostate cancer. During the year, three trustees retired.

When new Trustees are appointed, they are provided with an induction programme in which they meet with

staff from across the Charity and are provided with relevant background briefing information, for example, the Memorandum and Articles of Association, previous Board meeting minutes and best practice guidelines for Trustees from the Charity Commission and the National Council for Voluntary Organisations.

Trustees periodically review governance arrangements to ensure that appropriate structures and mechanisms are in place as the Charity evolves.

There are currently four sub-committees of the Board – the Finance and General Purposes Committee, the Human Resources Committee, the Services Committee and the Nominations Committee.

The Finance and General Purposes Committee reviews ongoing financial performance, strategic aspects of risk management, operations, facilities, ICT and database functions. It makes recommendations to the Board on these areas including on financial policy, plans and budgets.

The Services Committee provides strategic attention to the development of the Charity's 'front line' service provision to men affected by prostate cancer and their families. This enables a delegated group of Trustees to give detailed consideration, on behalf of the Board, to proposals for policy and strategy development in this area.

The Human Resources Committee reviews strategic HR issues and recommends to the Board reward arrangements for the Chief Executive and Directors.

The Nominations Committee makes recommendations to the Board on the appointment of new Trustees, Officers and the Chief Executive.

An Audit and Risk Committee is due to be established by the end of 2011. It will have responsibility for reviewing arrangements for the management of risk, together with undertaking a periodical review of any significant issues identified through internal audit and making recommendations to the Board.

Additionally, the Research Advisory Committee advises the Board on research strategy, policy and investment.

The need for further sub-committees and advisory groups will be kept under review.

Trustees met on eleven occasions during the year (either as a full Board or in the sub-committees) to review strategy, policy and performance and to set the operating plans and budgets.

The Chief Executive is responsible for the Charity's operational leadership. The staff team comprises of around 100 employees, based in offices in London and Glasgow.

It is organised into four Directorates:

- **Chief Executive** – responsible for operational leadership of the organisation, media and public relations, marketing communications, campaigns, brand management and information production
- **Fundraising** – responsible for all fundraising activity and for events management
- **Operations** – responsible for all 'front line' services, including Helpline, volunteering, policy, research management, health service liaison and Scotland operations
- **Resources** – responsible for all media and public relations, marketing communications, campaigns, brand management and information production.

The senior management team of the Charity are:

- Owen Sharp, Chief Executive (appointed 31.03.11).
- John Neate, Chief Executive (retired 31.03.11).
- Richard Whitley, Director of Resources and Company Secretary.
- Mark Bishop, Director of Fundraising.
- Ruth Holdaway, Director of Operations.

Responsibilities of the trustees

Company law requires the Trustees to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) which give a true and fair view of the state of affairs of the Group and the Charity at the end of the financial year and of the Group's surplus or deficit for the financial year. In doing so the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the Charity and the Group and hence

for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that the audited report and financial statements for The Prostate Cancer Charity comply with the provisions of the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities', issued in March 2005, the Companies Act 2006 and the Charity's Memorandum and Articles of Association.

The Trustees at the date of signing of this report are listed on the 'Legal and Administrative Information' page, as are the company and charity numbers of The Prostate Cancer Charity.

The Statement of disclosures to auditors

- So far as the Trustees are aware, there is no relevant audit information of which the Charity's auditors are unaware, and
- They have taken all the steps they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.
- The Trustees are also responsible for ensuring that the assets are properly applied in accordance with charity law.

Trustees and directors

The Trustees and Directors who served for the Charity during the year were as follows:

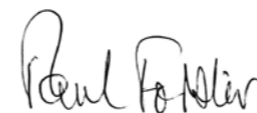
- Professor J Waxman (President)
- Professor P Forster (Chairman)
- Ms S Sayer OBE (Vice Chair)
- Mr H Richardson (Treasurer) (elected 24.03.11)
- Mr J Anderson
- Mr A Blessley
- Mr R Kelly
- Mr W Russell
- Dr T Walker CB
- Mr I Chate (re-elected 24.03.11)
- Professor H Leung (re-elected 24.03.11)
- Mr M Price (resigned 24.03.11)
- Mr A Sealey OBE (resigned 24.03.11)
- Mr J Wotherspoon (resigned 24.03.11)

Auditors

MacIntyre Hudson were appointed as the Charity's auditors at the Annual General Meeting held on 9th July 2007.

A special resolution was passed on 10th November 2008 authorising the Directors of the Company to fix the remuneration of the Company's auditors from 2009/10 onwards.

This report was approved by the Council of Management (Board of Trustees) on 21st July 2011 and authorised to be signed on its behalf by:



Professor Paul Forster
Chairman

21th July 2011

Independent Auditor's Report to the members of The Prostate Cancer Charity

We have audited the financial statements of The Prostate Cancer Charity for the year ended 31st March 2011 which comprise the Group Statement of Financial Activities, the Group Income and Expenditure Account, the Group and Parent Charity Balance Sheets, Group Cash Flow and related notes. The financial reporting framework that has been applied to their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 19 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statement

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness

of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

Opinion on financial statements

- give a true and fair view of the state of the group and charitable company's affairs as at 31st March 2011 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Opinion on other matter prescribed by the companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or;
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Rakesh Shaunak

Rakesh Shaunak FCA
Senior Statutory Auditor
21st July 2011

For and on behalf of **Macintyre Hudson LLP**
30-34 New Bridge Street, London EC4V 6BJ

Macintyre Hudson LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

The Prostate Cancer Charity Statement of Financial Activities for the year ended 31st March 2011

	Notes	Unrestricted Fund £'000	Restricted Funds £'000	Total 2011 £'000	Total 2010 £'000
Incoming resources					
Incoming resources from generated funds:					
Voluntary income	3	17,807	831	18,638	11,271
Trading subsidiary turnover	4	163	–	163	148
Investment income	5	18	–	18	22
Total incoming resources		17,988	831	18,819	11,441
Resources expended					
Costs of generating funds:					
Cost of generating voluntary income	3	4,864	–	4,864	3,253
Trading subsidiary expenditure	4	125	–	125	116
Charitable activities	6	7,170	846	8,016	5,563
Governance costs	8	160	–	160	140
Total resources expended		12,319	846	13,165	9,072
Net incoming resources before other recognised gains and losses		5,669	(15)	5,654	2,369
Other recognised gains and losses					
Unrealised gain on investment assets		–	–	–	491
Realised gain on sale of investment assets		60	–	60	–
Net movement in funds		5,729	(15)	5,714	2,860
Total funds brought forward		5,574	353	5,927	3,067
Total funds carried forward		11,303	338	11,641	5,927

All of the group activities are continuing.

The Prostate Cancer Charity Income and Expenditure Account for the year ended 31st March 2011

	Notes	2011 £'000	2010 £'000
Income			
Incoming resources from generated funds:			
Voluntary income	3	18,638	11,271
Trading subsidiary turnover	4	163	148
Investment income	5	18	22
Total incoming resources		18,819	11,441
Expenditure			
Costs of generating funds:			
Cost of generating voluntary income	3	4,864	3,253
Trading subsidiary expenditure	4	125	116
Charitable activities	6	8,016	5,563
Governance costs	8	160	140
		13,165	9,072
Realised gain on sale of investment assets		60	–
Surplus for the year		5,714	2,369

Statement of total recognised gains and losses

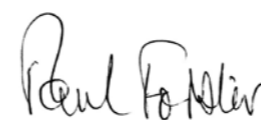
	2011 £'000	2010 £'000
Surplus for the year	5,714	2,369
Unrealised loss on investment assets	–	491
Total gains and losses recognised since 31st March 2010	5,714	2,860

All of the group activities are continuing.

The Prostate Cancer Charity Balance sheet as at 31st March 2011

	Notes	Group		Charity	
		2011 £'000	2010 £'000	2011 £'000	2010 £'000
Fixed assets					
Tangible fixed assets	12	259	193	259	193
Investments	13	–	1,979	–	1,979
		259	2,172	259	2,172
Current assets					
Debtors	14	3,878	1,923	3,979	1,983
Investments	13	82	–	82	–
Cash and short-term deposits		14,492	5,751	14,375	5,682
		18,452	7,674	18,436	7,665
Creditors					
Amounts falling due within one year	15	4,896	1,441	4,880	1,432
Net current assets		13,556	6,233	13,556	6,233
Total assets less current liabilities		13,815	8,405	13,815	8,405
Creditors					
Amounts falling due after more than one year	16	2,174	2,478	2,174	2,478
Net assets		11,641	5,927	11,641	5,927
Unrestricted funds					
General	18	10,256	5,424	10,256	5,424
Designated		1,047	150	1,047	150
		11,303	5,574	11,303	5,574
Restricted funds					
	18	338	353	338	353
Total funds		11,641	5,927	11,641	5,927

Approved by the Council of Management on 21th July 2011 and signed on its behalf by:



Professor Paul Forster
Chairman

The Prostate Cancer Charity Group Cash Flow Statement for the year ended 31st March 2011

	Notes	2011		2010	
		£'000	£'000	£'000	£'000
Net cash inflow from operating activities	22		7,043		3,280
Returns on investments and servicing of finance					
Interest received		18		15	
Dividends received		-		7	
			18		22
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		1,879		-	
Sale of Investments		(215)		(138)	
			1,682		(138)
Management of liquid resources					
(Increase)/Decrease in short-term deposits		999		(1,009)	
			999		(1,009)
Increase in cash			9,742		2,155
Net cash resources at 1st April 2010			4,740		2,585
Net cash resources at 31st March 2010	22		14,482		4,740

The Prostate Cancer Charity Notes Forming Part of the Financial Statements for the year ended 31st March 2011

1. Basis of Accounting

1.1 The financial statements have been prepared under the historical cost basis of accounting as modified by the revaluation of certain assets and in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005). The financial statements consolidate the Charity's individual financial statements with its subsidiary undertaking on a line by line basis. No separate company Statement of Financial Activities or Income and Expenditure Account has been presented as permitted by the Companies Act 2006.

2. Accounting Policies

- 2.1 Income is shown gross with the exception of funds raised by local fundraising groups which are stated after deduction of direct expenses incurred by the fundraising group.
- 2.2 All income and expenditure is included in these financial statements on a full accruals basis. Donations and legacies are accounted for when the Charity is entitled to receipt and the amount can be measured with reasonable certainty. Legacies in the form of property or investments are included at market value.
- 2.3 Donated services and gifts are included at the estimated value to The Prostate Cancer Charity. Where possible this is based on an estimate provided by the donor.
- 2.4 Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.
- 2.5 Charitable activities include expenditure associated with research grants, community engagement, Helpline and information services, policy, media and public affairs.
- 2.6 Grants payable are included in the Statement of Financial Activities when approved by the Trustees and agreed with the other organisation. The value of such grants unpaid at the year end is accrued.
- 2.7 Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- 2.8 Governance costs are those incurred in the governance of the Charity and its assets.

- 2.9 Costs are allocated between fundraising, charitable activities and governance on the basis of the staff time devoted to, and actual expenditure incurred (including overheads) in each activity. Cost allocation includes an element of judgement and the Charity has had to consider the cost benefit of detailed calculations and record keeping.
- 2.10 Rentals payable under operating leases are charged to the profit and loss account as incurred.
- 2.11 The Charity operates defined contribution pension schemes for certain employees. The assets of these schemes are held separately from those of the Charity in independently administered funds. Contributions in respect of these schemes are charged against net incoming resources in the year in which they are made.
- 2.12 Tangible Fixed Assets and Depreciation: Expenditure on assets or groups of assets over the value of £1,000 is capitalised. Depreciation is provided on a straight line basis at the following annual rates in order to write off each asset over its estimated useful life:
- Lease improvements and events equipment – 20%
 - Computer equipment, software and website redevelopment – 33%
 - Fixtures and fittings – 33%
- 2.13 Investments held as fixed assets are revalued at mid-market value at the balance sheet date. Any gain or loss is taken to the Statement of Financial Activities. The investment in the subsidiary is recognised at cost.
- 2.14 Fund accounting:
The following funds are held by the Charity:
Unrestricted – these are funds which can be used in accordance with the charitable objects at the discretion of the Council.
Designated – these are funds set aside by the Council out of unrestricted funds for specific future purposes.
Restricted – these are funds that can only be used for particular restricted purposes. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

3. Voluntary income and costs of generating voluntary income

	2011						2010	
	Income			Expenditure			Total income £'000	Total costs £'000
	Unrestricted £'000	Restricted £'000	Total income £'000	Direct costs £'000	Support costs £'000	Total costs £'000		
Direct marketing	1,424	263	1,687	663	185	848	1,484	705
Community fundraising (excl Movember)	2,487	7	2,494	853	55	908	1,653	426
Movember	11,408	–	11,408	1,872	278	2,150	5,846	1,507
Charitable trusts	316	479	795	69	64	133	466	87
Corporate donors	1,193	4	1,197	246	167	413	872	245
Legacies	639	5	644	55	15	70	653	38
Other, including donated services	340	73	413	221	121	342	297	245
	17,807	831	18,638	3,979	885	4,864	11,271	3,253

Income less expenditure provides the net contribution figures below:

	Net Contribution	
	2011 £'000	2010 £'000
Direct marketing	839	779
Community fundraising	1,586	1,227
Movember	9,258	4,339
Charitable trusts	662	379
Corporate donors	784	627
Legacies	574	615
Other, including donated services	71	52
	13,774	8,018

4. Net income from trading activities of subsidiary

The Charity has a wholly owned subsidiary incorporated in England, Prostate Cancer Trading Limited, which raises funds through trading activity, marketing and the sales of goods. The company pays its profits under Gift Aid to The Prostate Cancer Charity. Audited accounts will be filed with the Registrar of Companies. A summary of its trading results for the year ended 31st March 2011 is as follows:

	2011 Total £'000	2010 Total £'000
Turnover		
Sales of goods	28	22
Income from corporate partnerships	135	126
	163	148
Cost of sales	112	112
Gross profit	51	36
Administrative expenses	7	4
Interest received	6	–
Net profit	38	32
Income transferred by Gift Aid	38	32
Retained in subsidiary	–	–
	2011 Total £'000	2010 Total £'000
Total assets as at 31 st March	226	222
Total liabilities as at 31 st March	226	222
Net assets held as at 31 st March	–	–

5. Investment income

	Unrestricted £'000	2011 Total £'000	2010 Total £'000
Dividends received	–	–	7
Interest received	18	18	15
	18	18	22

6. Charitable activities

	Direct costs £'000	Support costs £'000	2011 Total costs £'000	2010 Total costs £'000
Research	2,946	48	2,994	1,659
Information services	506	155	661	432
Helpline	487	262	749	601
Community engagement*	449	265	714	653
Awareness	1,932	232	2,164	1,764
Policy and campaigns	567	167	734	454
	6,887	1,129	8,016	5,563

* Community engagement comprises our volunteer programme work in Scotland, England and with African Caribbean communities, plus health services liaison.

7. Grants awarded

	Restricted £'000	2011 Total £'000	2010 Total £'000
Research grants:			
Movember Foundation Global Action Plan	1,000	1,000	–
University of Bradford	308	308	–
University of Glasgow	281	281	–
King's College, London	261	261	–
Imperial College, London	244	244	–
Institute of Cancer Research, Sutton	200	200	48
University of Cambridge	109	109	–
Queen's College, Belfast	99	99	395
University of Bath	91	91	–
University of Aberdeen	82	82	–
University College London	74	74	241
University of Aberystwyth	60	60	–
University of Leeds	–	–	246
University of Oxford	–	–	249
University of Newcastle	–	–	195
University of Ulster	–	–	165
University of Bristol	–	–	99
	2,809	2,809	1,638

In alignment with the Charity's objectives, the Council of Management agreed to make a grant of £1,000,000 to the Movember Foundation to support its international prostate cancer research programme.

Furthermore, the Council approved and committed £150,000 in March 2010 and a further £205,444 (subject to available funding) in March 2011 for spending on Survivorship Research Projects. These appear in the Balance Sheet as Designated funds (see Note 20).

Support costs associated with grants amounted to £48,000 (£37,000 in 2010).

	2011 £'000	2010 £'000
Reconciliation of grants payable:		
Commitments at 1 st April 2010	3,037	1,987
Commitments made in the year	2,809	1,638
Grants cancelled or recovered	(100)	(78)
Grants paid during the year	(656)	(510)
Commitments at 31st March 2011	5,090	3,037
Commitments at 31st March 2011 are payable as follows:		
Within one year (note 15)	3,015	559
After more than one year (note 16)	2,075	2,478
	5,090	3,037

8. Governance

	Direct costs £'000	Support costs £'000	2011 Total costs £'000	2010 Total costs £'000
Legal and professional fees	9	–	9	22
External audit	12	–	12	12
Trustee expenses	8	–	8	5
Apportionment of staff support costs	–	131	131	101
	29	131	160	140

9. Council of Management and employee information

No member of the Council received any remuneration from the Charity. Directly incurred expenses are reimbursed, if claimed. In the year ended 31st March 2011 travelling and other expenses amounting to £8,095 were reimbursed (2009/10:£4,605).

The average full time equivalent number of persons employed by the Charity during the year was:

	2011	2010
Fundraising	25	19
Charitable activities	42	32
Finance, facilities, ICT, database and human resources	16	14
Management and administration	2	2
	85	67

Amounts paid to employees by the Charity during the year increased by 23% (2010:26%) and were:

	2011 £'000	2010 £'000
Salaries and wages	2,992	2,388
National insurance costs	316	251
Pension costs	102	90
	3,410	2,729

The increase in staff costs was due to a planned investment in staff resources across the Charity

The number of employees of the Charity paid within each of the following ranges was:

	2011	2010
£60,000 to £70,000	1	3
£70,000 to £80,000	2	–
£80,000 to 90,000	–	1
£90,000 to 100,000	1	–

The Charity made pension contributions under a defined contribution scheme amounting to £18,839 (2010: £16,908) in respect of 4 (2010: 4) higher paid employees.

10. Pension costs

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in independently administered funds. The pension cost charge represents contributions paid by the Charity to the funds and amounted to £102,419 (2010: £89,808).

11. Support costs

The breakdown of support costs and how these are allocated are shown below:

	Cost of generating income £'000	Charitable activities £'000	Governance £'000	2011 Total costs £'000	2010 Total costs £'000
Staff and similar costs	561	697	118	1,376	897
Telephone, publications, postage, stationery	118	148	5	271	227
Premises costs	177	244	7	428	472
Depreciation	29	40	1	70	69
	885	1,129	131	2,145	1,665

Cost allocation includes an element of judgement and the Charity has had to consider the cost benefit of detailed calculations and record keeping. Where possible, support costs are charged to a specific activity and the balance has been allocated using the basis of full time equivalent staff numbers.

12. Tangible fixed assets – group and charity

	Lease improvements £'000	Fixtures & fittings £'000	Computer equipment/ software £'000	Events equipment £'000	Total £'000
Cost					
At 1 st April 2010	127	45	283	–	503
Additions	–	58	157	–	215
At 31 st March 2011	127	103	440	48	718
Depreciation					
At 1 st April 2010	50	31	223	6	310
Charge for the year	25	18	64	42	149
At 31 st March 2011	75	49	287	48	459
Net Book Value					
Net book value at 31 st March 2011	52	54	153	–	259
Net book value at 31 st March 2010	77	14	60	42	193

The group operates a website which will generate additional revenue to the Charity, through donations and support for events. The Trustees consider that this satisfies the conditions under UITF 29 for capitalisation of the costs associated with its development. The costs are being amortised over three years and are included under 'computer equipment'.

A capital commitment of £28,296 was incurred in March 2011 in relation to Fixtures and Fittings required for fitting out of the ground floor premises at the Charity's London offices.

13. Investments – group and charity

In line with a Council decision taken in October 2010, nearly all the investment assets previously held by the Charity have been sold off and re-invested in short term deposits. The balance will be sold in the following financial year.

	2011 £'000	2010 £'000
Market value:		
At 1 st April	1,979	1,487
Additions	–	–
Disposals	1,979	–
Profit on Disposal/Unrealised Gain	60	492
At 31 st March	82	1,979
Historical cost as at 31 st March	72	1,874
	2011 £'000	2010 £'000
UK listed investments:		
GlaxoSmithKline plc	–	96
Other	82	91
Common investment funds:		
CCLA Charities Investment Fund	–	1,223
CCLA Global Equities Fund	–	519
Unit trusts	–	37
Other investments	–	13
	82	1,979

14. Debtors

	Group		Charity	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Legacies and donations	362	113	362	145
Tax recoverable	1,301	1,070	1,301	1,071
Loan to Prostate Cancer Trading Limited	–	–	125	125
Other debtors	136	59	190	76
Accrued income	1,388	195	1,401	80
Prepayments	691	486	600	486
	3,878	1,923	3,979	1,983

15. Creditors – falling due within one year

	Group		Charity	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Trade creditors	643	202	627	202
Other taxes and social security	98	58	98	58
Accruals and other creditors	1,140	622	1,140	613
Commitments	3,015	559	3,015	559
	4,896	1,441	4,880	1,432

Deferred income included in the above amounted to £91,000 (2010: £167,000).

16. Creditors – falling due after more than one year

	Group		Charity	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Research commitments	2,075	2,478	2,075	2,478
Dilapidations provision	99	–	99	–
	2,174	2,478	2,174	2,478

17. Analysis of net assets between funds

	Group		Charity		
	Total Funds £'000	General Funds £'000	Designated Funds £'000	Restricted Funds £'000	Total Funds £'000
Tangible fixed assets (note 12)	259	259	–	–	259
Investments (note 13)	82	82	–	–	82
Current assets less liabilities	11,300	10,962	–	338	11,300
Net assets at 31st March 2011	11,641	11,303	–	338	11,641

18. Movement in funds

	Group		Charity			
	As at 31.3.2011 £'000	As at 1.4.2010 £'000	Incoming £'000	Outgoing £'000	Transfers £'000	As at 31.3.2011 £'000
Restricted funds:						
Research:						
Action Fund	–	–	93	(93)	–	–
General Research	210	244	531	(565)	–	210
Research Nurse	1	1	–	–	–	1
Helpline	56	–	91	(35)	–	56
Information Services	–	–	23	(23)	–	–
Scotland Development – Other	26	46	1	(21)	–	26
Scotland Development – The Big Lottery Fund	5	5	–	–	–	5
African Caribbean Projects	2	2	–	–	–	2
Volunteer programme	–	–	73	(73)	–	–
Master classes	20	38	4	(22)	–	20
Older and Wiser	3	17	–	(14)	–	3
International Fund	16	–	15	–	–	15
Total restricted funds	338	353	831	(846)	–	338
Unrestricted funds:						
General fund	10,256	5,424	16,809	(11,977)	–	10,256
Designated funds:						
Scotland	–	–	117	(117)	–	–
Scotland Support Groups	–	–	2	(2)	–	–
Relocation fund	400	–	400	–	–	400
Survivorship research fund	355	150	205	–	–	355
Fixed asset reserves	292	–	292	–	–	292
Total designated funds	1,047	150	1,016	(119)	–	1,047
Total unrestricted funds	11,303	5,574	17,825	(12,096)	–	11,303
Total funds	11,641	5,927	18,656	(12,942)	–	11,641

19. Purposes of restricted funds

Research Action Fund	Research into prostate cancer.
General Research	Making awards to faculties for research that are not otherwise supported by organized or directed programmes.
Helpline	Helpline support service.
Information Services	Provision of information services including the printing of educational leaflets.
Scotland Development Other	Enabling volunteer services to provide support for people directly affected by prostate cancer and awareness raising.
Scotland Development – The Big Lottery Fund	Developing two services in West/Central Scotland – one-to-one support for people directly affected by prostate cancer, and awareness raising of prostate cancer. Both services are run by people who have been directly affected by prostate cancer.
African Caribbean Projects	Staging of a community-based educational play, the production of a personal testimonies booklet collating experiences of people affected by prostate cancer and the production and distribution of a postcard aimed at raising awareness of prostate cancer amongst women.
Volunteer Programme	Production of volunteering materials to support the volunteer programme for England and Wales.
Master classes	Supporting the running of nursing master classes.
Older and Wiser	Raising awareness in the African Caribbean community, including the training of volunteers in London.
Couples' Project	Creative artistic venture using photography, interviews and sound to capture and share the experiences of couples affected by prostate cancer (e.g. men and their partners, sons and daughters, sisters, carers and friends).
International	Raising awareness of prostate cancer internationally.

20. Purposes of designated funds

Designated funds are funds set aside from the general fund for objectives stated below:

Scotland	Any donations received by the Scotland office that are not restricted are classified as designated funds. In 2010/11 these were spent on financing the costs of the Charity's operations in Scotland.
Relocation fund	Incremental one-off costs required for moving its London office.
Survivorship research fund	The Council of Management has committed the Charity to spend a total of £355,000 on this underfunded area of research.
Fixed asset reserves fund	Amount representing the net investment in fixed assets.

21. Commitments under an operating lease

At 31st March 2011, the Charity had four commitments under operating leases.

- Annual rent of £222,819 + VAT for its London office, which can be terminated by the Charity on 8th May 2012 or else lapsing on 7th May 2017.
- Annual rent of £7,770 + VAT for its Glasgow Office, with three months' termination notice on either side.
- Annual charge of £25,980 for two photocopiers at its London office for five years from July 2008.
- Annual charge of £2,526 for one photocopier at its Glasgow office for three years from December 2010.

22. Note to group cash flow statement

Reconciliation of net movement in funds to net cash inflow from operating activities:

	2011	2010
	£'000	£'000
Net movement in funds for year before other recognised gains or losses	5,714	2,369
Investment income	(18)	(22)
Depreciation	149	75
Increase in debtors	(1,954)	(641)
Increase in creditors	3,152	1,499
	7,043	3,280

Analysis of net cash resources

Cash at bank and in hand	14,480	4,740
Short term deposits	12	1,011
	14,7492	5,751

23. Related party transactions

The Charity has made a loan of £125,000 to its trading subsidiary, initially for one year, extended for a further six months and repayable in September 2011, at an annual interest rate of 5%. There is also an intercompany balance with the subsidiary of £57,307 (2010: 87,754). An arms length agreement, effective 1st August 2011, validates that this subsidiary will continue to fulfil any future obligations of donating profits to The Prostate Cancer Charity within a prescribed time-frame, whilst maintaining its status as a going concern.

The Council of Management are required to declare all outside interests. When any item arises where it may be considered a member has an interest it must be declared and the member concerned may not take part in that debate or any related decisions.

In March 2011, Glasgow University was awarded a research grant by the Charity. Professor H Leung of Urology & Surgical Oncology at the Beatson Institute for Cancer Research works closely with the University and he declared an interest prior to any discussions taking place, did not take part in subsequent debate or any resulting decisions being made on this award.

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* Calls are occasionally recorded for training purposes only. Confidentiality is maintained between callers and The Prostate Cancer Charity. The Prostate Cancer Charity is a charity registered in England and Wales (1005541) and Scotland (SC039332). Registered company 2653887.